

suspected that certain unscrupulous exporters were abusing the policies governing exports from India to Russia against Repayment of State Rupee Credits. Among other things, overinvoicing and hawala payment abroad of large amounts are suspected.

(c) Eight persons involved in the alleged fraud, were arrested. Delinking of

**G.I.C. from its subsidiaries**

621. SHRI RAJNATH SINGH 'SURYA': Will the Minister of FINANCE be pleased to state:

(a) Whether there is a move for delinking General Insurance Corporation from its subsidiaries;

(b) if so, the reasons therefor; and

(c) what would be the fate of the ownership of its subsidiaries in the after-math of such delinking?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Yes, Sir. Under the law, an insurance company can carry on either life insurance business or general insurance business or re-insurance business. Since General Insurance Corporation (GIC) has been declared as "Indian Re-insurer", it cannot carry on general insurance business either directly or through its subsidiary companies. Therefore a decision has been taken to de-link GIC from its subsidiaries. A Bill to that effect will be introduced in the current session of the Parliament.

(c) The ownership of subsidiaries of GIC will be transferred to the Government after such delinking.

**Economic strategy for generation of resources**

622. SHRI CO. POULOSE: Will the Minister of FINANCE be pleased to state:

(a) Whether Government's attention has been drawn to the lecture delivered by the RBI Governor who at the 18th CD\*. Dcshmkh Memorial said that the most striking failure of India's economic strategy in the past 50 years has been the erosion of

[27 February, 2001]

RAJYA SABHA

public savings and the inability of the public sector to generate resources for investment or provision of public services; and

(b) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) Government recognises the need for arresting erosion of public savings and has taken a series of measures to generate additional resources and to contain non-plan non-development expenditure.

#### **Public issues of foreign companies**

623. SHRI K. KALAVENKATA RAO: Will the Minister of FINANCE be pleased to state:

(a) the number of foreign companies which had promised to come out with public issues in near future but have not done so;

(b) whether the Securities and Exchanges Board of India has sought details in this regard; and

(c) the action Government propose to take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The required information is being collected and will be laid on the Table of the House.

#### **Foreign exchange reserve**

† 624. SHRI RAJIV RANJAN SINGH 'LALAN':

SHRI KAPIL SIBAL:

Will the Minister of FINANCE be pleased to state:

(a) Whether it is a fact that there has been a remarkable increase in foreign exchange reserves of the country during the year 2000;

(b) if so, the amount of foreign exchange reserves during the

---

† Original notice of the question was received in Hindi.